

Approved at the July 24, 2007 meeting

Flathead County Solid Waste District
Board of Directors Meeting
June 19, 2007 – **5:00 pm**
Landfill Office

1. Roll Call

Board Members present: Mike Eve, Chair; Nathan Sande, Vice Chair; Nancy Askew, Board of Health; Dale Lauman, County Commissioner; Hank Olson, City of Kalispell; and Bill Shaw, City of Columbia Falls. Absent: John Helton, Member at Large.

District Staff present: Director David Prunty; Recording Secretary Carol Norwood; Foreman Larry Bellmore; Foreman Jeff Kruckenberg; and Foreman Jim Chilton.

Attendees: Mike Pence, Flathead County Administrator; Turner Askew; and Ken Sugden, Mark Johnson and Ross Holter, Flathead Electric.

2. Introductory Remarks from Chairman

Mike thanked everyone for attending the meeting.

3. Comments from public

There were no comments.

4. Approval of the Board Meeting Minutes for May 22, 2007 - **Action Required**

Hank Olson Moved to adopt the minutes of May 22, 2007. Dale Lauman seconded. Motion passed.

5. Action Agenda

a. Modification of District By-Laws for Public Works Department - **Action Required**

At last month's board meeting the Board was informed of the idea to create a Public Works Department for Flathead County. At this point in time it is envisioned that this new department would consist of the Flathead County Solid Waste District and the County Road and Bridge Department. This new department would have a Public Works Director that would be responsible for the overall operations of this new department. Each program would have Operations Managers that would be responsible for the daily operations and ensuring safe and efficient work is being performed by the employees allowing the PW Director to concentrate on long range planning and funding issues, among many other items.

To implement this change the District will need to modify our current By-Laws. Jonathan Smith of the County Attorneys office has prepared the needed amendments. Per

the current By-Laws, any amendment must be presented to the Board of Directors and if approved, return for a second reading the following meeting.

The County Commissioners must also modify Resolution 1205B that was signed in October, 1997 that currently outlines the parameters that establishes the District and how it is operated. The County Commission may proceed forward with modifications to this resolution after the District Board approves the changes to the District By-Laws (1st reading).

Hank Olson moved to modify the Flathead County Solid Waste District By-Laws as prepared by the Flathead County Attorneys Office to include the modifications necessary to create and allow the District to be part of a newly created Flathead County Public Works Department. Nancy Askew seconded. Motion passed.

b. Landfill Gas to Energy Project

Work continues regarding the feasibility of installing a landfill gas-to-energy facility at the landfill. Mike Pence from the Commissioners office and Dave met with representatives from Flathead Electric Cooperative (FEC) on June 13th. This marked the initial negotiations with the FEC regarding the purchasing of power by the FEC that would be produced by the engine powered by the landfill gas. The initial Performa prepared by Johnson Controls, Inc., has the first year power is produced having a purchase price of \$0.065/kW. This price would then be escalated each year at 2.5%. In 20 years, the power would be sold at \$0.104/kW.

FEC said that they would not be able to enter into a contract with that kind of energy cost escalation. Their counter proposal was for FEC to be the lead on the project and would then in essence be the owner of the facility. They would then in turn pay a royalty to the District for the use of the landfill gas to produce power. This option decreases the risk potential of the District while still paying the District a fair value for our renewable resource. This also allows the District to concentrate of our landfill operation while FEC would be responsible for their core business of power production and delivery.

More investigation has occurred with the Clean Renewable Energy Bonds (CREBs) financing potential for this project. Ms. Debbie Pierson, Flathead County Grant Writer, has been working with Johnson Controls, Inc., to potentially prepare an application for this project. Ms. Pierson is returning from vacation the week of June 18th and is prepared to work on this project to meet the July 13, 2007 closing date. If CREBs funding is received, the capital money for the project (up to 100%) will be interest free. This significantly changes the economics of the project. FEC would be taking the lead on preparing the CREBs application if they would become the owner of the project.

Included in your packet is a letter from our design engineers, Bryan A. Stirrat and Associates. They have been asked to potentially be part of the design team for this project. However, they are very reluctant to sign off on the required engineer certification needed in the CREBs funding application. They have been associated with multiple landfill gas-to-energy projects and are concerned with the District's potential to

have a successful project at this point in time with our ability to capture the needed gas volumes. Dave also shares this apprehension currently.

a. Motion to continue with the Landfill Gas to Energy Project - **Action Required**

Hank moved to continue with the landfill gas-to-energy project with Flathead Electric Cooperative being the lead agency for preparation of the CREBS financing and ownership of the production facility contingent on successful negotiations with the District for a royalty fee for the landfill gas and operational considerations regarding assuring the landfill remains within compliance with the Montana Department of Environmental Quality. Bill seconded. Motion passed.

Hank questioned if we were acting in the best interest of Flathead County by moving forward at this time. Mike questioned the availability of CREB's funding next year. Dave thinks the funding will end this year; however, he believes the federal government will have other funding available. Hank believes we will be better off to delay action as the market could increase. Bill asked how long the royalty agreement would be in effect and stated he does not believe we should be in the business of owning a generator and selling power.

Ken Sugden updated the board regarding the ongoing negotiations and Flathead Electric Cooperative's interests and concerns regarding the project. They prefer to own the generator and use the CREB's bonds. Ken explained CREB's funding and the possibility of extending the funding. He stated that the owner of the bonds must be the owner of the generator.

b. Motion to Authorize Director to prepare and submit an application for CREB application – **Action Required**

Hank moved to authorize Director to prepare and submit an application for CREBs funding for the landfill gas-to-energy project as a dual application in the event that it is determined to be in the best interest of the District to be the lead agency and owner of the project. Bill seconded. Motion passed.

6. Director's Report

a. Tree Buffer in Southwest Corner of South Area Landfill

The tree buffer has been installed in the southwest corner of the South Area Landfill. Approximately 350 Blue Spruce trees were installed and 100 Caragana were planted. We have previously sprayed in this area for weeds and the residual herbicide may have adverse effects on the Caragana. We will plant more Caragana in the following years as the residual herbicide diminishes.

b. Refuse Operations

Operations proceeded well for the month. Tonnage/Volumes are shown below:

	<u>May</u>
Total MSW to landfill	12,224.76
Total Appliances Collected	1,446
Junk Vehicles Collected	23
Truck Trips to Landfill	588
Refuse tons/trip	7.79

c. Conditionally Exempt Small Quantity Generator (CESQG) Hazardous Waste Event and Electronic Recycling Event

Our 5th annual CESQG hazardous waste event occurred on Friday, June 1st at our hazardous waste facility at the landfill. Our vendor was Veolia Environmental Services who services our household hazardous waste program for disposal. The event is for small quantity generators in the County and our goal is to remove the waste from the waste stream and provide the businesses with a cost effective disposal option. We had 12 businesses that participated in the event this year. Veolia received enough hazardous waste that they needed to return on Saturday morning to finish bulking the material and prepare manifests for transport.

Our 2nd annual electronic waste event was held at Valley Recycling in Kalispell on Saturday, June 9th from 9 a.m. to 4 p.m. This is a collaborative effort between Montana Department of Environmental Quality, Flathead County Solid Waste, Valley Recycling, Citizens for a Better Flathead and the Montana Conservation Corp. All parties involved donated time and money to help this event succeed. The recycler is Inland Retech from Spokane. First estimates are that approximately 15,000 lbs of electronic waste was recycled at the event. Dave spoke to many participants that were grateful for the opportunity to recycle their electronics for the small fee charged to participants.

The Board expressed interest in having an annual collection held in each of the three cities. Dave stated this was possible but the cost would be greater and we would need to have volunteers in order for this to work. Dave will update the Board when we receive the final cost figures from the State. He did inform the Board that Staples has a recycling program available in their stores.

d. Reduce Litter Bumper Sticker

County Commissioner Hall has asked if the District would include in our litter advertising campaign bumper stickers that we would hand out at the scale house and/or include in our monthly billing. He believes that these stickers would help us with our continued work to reduce the amount of roadside litter in the County. We are researching the cost to print these bumper stickers but do not have a complete cost yet.

Dale felt the money would be better spent in other areas. The Board did not support purchasing bumper stickers and would prefer to spend the money promoting recycling.

e. Container Site Purchase

Representatives from the Montana Department of Transportation (MDT) recently responded to our request sent quite some time ago to purchase the Somers, Olney and Lakeside container site properties. They are still working on their side to determine if they wish to sell the Somers and Olney site to the District. They said that they would not be selling the Lakeside site to us or any portion of the site. The Olney site occupies a small portion of the total property owned by MDT and they would be interested in potential selling a portion of it to the District. Now that the project for Highway 82 is complete, they may also be interested in selling that parcel to the District. Dave will continue to pursue these purchases and report back to the Board.

Dave also has continued to investigate the potential to enlarge the Kila site by obtaining ground from the United States Fish and Wildlife Service. The County owns some ground in and around the Smith Lake Waterfowl production area and we are performing survey work to determine the amount of land potentially available for a trade with the USFWS.

Mike suggested the engineers' strategic plan consider the future regarding container site purchases. Hank asked about the possibility of entering into a long-term lease for the Kila site. As the land was funded with "duck stamp" dollars, Dave does not know if this would be an option. Nancy asked about the possibility of using county park land that is un-developable for trade.

- f. Budget
- g. Financial Reports

Dave updated the Board on the Budget and Financial Reports

7. Comments from Board Members

Hank asked about the camera system and how the sheriff's department is dealing with violators. Dave updated the board as to the cooperative efforts between the landfill staff and the sheriff's department regarding violators of the unsecured load ordinance.

Nancy asked about the Riverdale project. She feels the developers need to assume responsibility for screening their property from the landfill.

Bill thinks the landfill should focus on their primary scope (garbage) and not diversify into the area of running a generator and selling power.

8. Adjournment

The meeting was adjourned at 6:13 p.m.